GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1014
ANSWERED ON:27.07.2001
LIFE INSURANCE CORPORATION
CHANDRA BHUSHAN SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether Life Insurance Corporation of India is considering to strengthen its overseas operations;

(b) if so, the details thereof;

(c) whether the Life Insurance Corporation is also considering to set up joint venture companies abroad;

(d) if so, the details thereof; and

(e) the steps taken by the Life Insurance Corporation of India to cover the remaining insurable population in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a): Yes, Sir.

(b): At present the Life Insurance Corporation of India(LIC)have Branch Offices in United Kingdom, Mauritius & Fiji and an offshore subsidiary in Bahrain. The Corporation has decided to strengthen its overseas operation inter-alia to cater to the needs of the overseas Indian population of more than 20 million spread all over the globe and for greater market penetration.

(c)& (d): The LIC has recentlyregistered a joint venture company in Nepal viz., LIC (Nepal) Ltd. in collaboration with M/s Vishal Group Ltd. The LIC has registered an offshore life insurance company by the name of LIC (Mauritius) offshore Ltd. to tap the market of around 4.53 million ethnic Indian population in selected countries of African continent.

(e): The Corporationhas been trying to cover larger number of new lives every year. 107.53 lakh policies were issued to new lives in 1998-1999. The coverage increased to 125.35 lakh policies during 1999-2000. During 2000-2001 it is more than 145 lakhs. Further, the LIC has spread its network for procuring life insurance policies from all areas of the country through 2,048 branch offices and 7.86 lakh Agents. 1,258 Branch Offices are in the rural areas to cover untapped potential. More than 400 centres have been established for pre-recruitment training so that new agents can represent vacant pockets and provide insurance to new lives. The Corporation has planned to have 18% growth rate in new policies during the financial year 2001-2002 so that on year to year basis higher percentage of population can be covered.

The Total Insurable Populationin the Age Group 15-69 as per LIC`s estimate is 34.37 crore as on March, 2001.The LIC have estimated that a total of 8.63 crores lives were covered under Individual Assurance and Pension Plans as on 31.3.2001.This represents 25.11% coverage of insurable population.